

R. LEHMAN  
D R A F T  
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THE PRODUCTION OF FINISHED INTELLIGENCE  
WITHIN THE COMMUNITY

1. The 1947 Act assigned to the Agency, not to the DCI, the task of coordinating, evaluating and disseminating "intelligence relating to the national security," using existing agencies where appropriate. It authorized other agencies to produce, etc., departmental intelligence. As "national intelligence" Congress clearly had in mind intelligence on foreign military intentions and capabilities, and probably to some extent political intentions in the case of hostile powers. It did not envisage the inclusion of economic intelligence, except as this intelligence bore on the vulnerabilities and military production capabilities of hostile powers.

2. As a practical matter, neither the DCI nor CIA had the clout in the early years to do any of this. Since OSS/R&A was assigned in 1946 to State, CIA had to start from scratch with the formation of ORE, and ORE had to compete with strong existing organizations in Army, Navy, and State. Moreover, ORE from its inception was a feckless organization that squandered its resources on secondary projects for which there was no established need.

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3. Only with the arrival of General Smith was it possible to create a coherent Community organization. Personally, he had the clout. He, and Allen Dulles, were considerably more <sup>than</sup> ~~the~~ first among equals in USIB and its predecessors. But to bring order out of chaos they in effect had to apply the allocation of "services of common concern" principle to the production of finished intelligence. The DCI was to correlate and evaluate through BNE and ONE. CIA was only to produce economic and scientific intelligence on the Soviet bloc. The Services were to produce military intelligence, and State was to produce political and non-Soviet economic. There was one anomaly, however. President Truman had required Smith to give him a daily current intelligence report. ONE declined the responsibility. Thus CIA was able to keep an embryo political and military production organization in OCI.

4. During the fifties and early sixties the following trends can be discerned:

--An effective National Estimates apparatus and process, fully integrated with the policy-making apparatus that existed through the Eisenhower Administration.

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--An increasing national appetite for current intelligence, resulting in the growth of a strong political capability in OCI.

--An ORR gradually spreading from Soviet affairs into third world trade-and-aid matters.

--An inability on the part of the services to rise above departmental viewpoints in military intelligence, forcing the beginnings of a military intelligence capability in CIA/ORR and OSI.

5. Again, in the Kennedy and Johnson Administrations, these trends were modified.

--The appetite for current intelligence became insatiable, and OCI prospered thereby. As this tendency became recognized, there were pressures to produce "national current intelligence, : that is, to permit State and Defense to have a say in service to the national authorities.

--Over the period, ONE lost contact with the policy apparatus, and came more and more to be operating in a vacuum.

--The weakness of the service agencies was recognized in the formation of DIA, but they on the one hand hid their assets and DIA on the other was unable to overcome its antecedents.

--In the face of increasing technological challenge, CIA formed DDS&T and, especially, FMSAC.

--Under similar pressures, DDI formed OSR.

--INR, ignored by successive Secretaries of State, atrophied.

--ORR, now OER, moved not only to fill the vacuum left by INR, but also to meet new needs of the Federal Government for <sup>a</sup>microeconomic analysis of foreign countries that no traditional arm of the US Government was able to provide.

6. The Nixon and Ford Administrations:

--The ~~solution~~ <sup>isolation</sup> and obsolescence of ONE became apparent, and it was replaced with the NIO apparatus. One important element in the change was to give a larger role, under the DCI, to other agencies, and to reduce, at least nominally, the influence of CIA.

--The demand for economic intelligence became insatiable, and could be met only by OER.

--DIA, under Graham, reasserted its rights in military intelligence, and began to develop a claim to support of the national authorities

in crises that goes beyond departmental bounds.

--CIA in effect institutionalized its role in military matters in the reorganization that produced OWI and the ~~SEC~~.

--National Current Intelligence, if there can be such a beast, was also institutionalized and DIA retired at least temporarily from the field.

--Longer range political research was given a home in CIA with the formation of OPR.

--INR continued to decline, nearly to extinction, until the arrival of Bill Hyland. Hyland, first of INR directors to have the confidence of HAK, was able to employ at least some of his assets in support of the Secretary. Hence INR, to the extent it is active, is devoted to department<sup>al</sup>~~ed~~ ends. Unfortunately, because HAK wears two hats, these tend also to be national ends.

7. The present situation in production of national intelligence.

Functionally:

--Political intelligence is produced mostly by CIA/OCI, secondarily by State/INR, thirdly (by design) by CIA/OPR.

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